

Message Text

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ACTION MCE-00

INFO OCT-01 ARA-10 ISO-00 PM-05 SP-02 L-03 COME-00
EB-08 CIAE-00 INR-07 NSAE-00 ACDA-12 DODE-00
TRSE-00 OMB-01 AID-05 IGA-02 FAA-00 DOTE-00 /056 W
-----009294 301525Z /50

R 301335Z NOV 77
FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC 8137
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO

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FROM EMBASSY COMMERCIAL COUNSELOR

DEPT PASS FAA

E.O. 11652: N/A
TAGS: EAIR, MILI, ESTC, BR, CI
SUBJ: BRASILIAN SALE OF MILITARY AIRCRAFT TO CHILE

REF: STATE 280742

1. ON NOVEMBER 28 THE COMMERCIAL COUNSELOR TRAVELED TO SAO JOSE DOS CAMPOS TO DISCUSS THE SALE TO CHILE REPORTED IN REFTTEL WITH COLONEL OSIRIS SILVA, DIRECTOR SUPERINTENDENT OF EMBRAER. COL. SILVA SAID NO US ORIGIN MILITARY TYPE EQUIPMENT WOULD BE ON THE SIX "BANDEIRANTE" AIRCRAFT BEING SOLD TO THE CHILEAN NAVY. HE SAID THAT IT HAD NEVER BEEN INTENDED TO EQUIP THE PLANES WITH FRIEND-FOE IDENTIFICATION EQUIPMENT, AND THAT, AS THE RESULT OF USG OBJECTIONS, THE NA/APS-128 RADAR WOULD BE REPLACED WITH THE CIVILIAN MODEL SAR-1 RADAR AND THE LN-33 INERTIAL NAVIGATION SYSTEM WOULD BE REPLACED WITH A COMMERCIAL MODEL OMEGA GNS NAVIGATION SYSTEM. HE CONFIRMED THAT THE AN/APX-92 AND THE TWELVE LN-33 SYSTEMS LICENSED TO EMBRAER WERE FOR AIRCRAFT FOR THE BRAZILIAN
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AIR FORCE.

2. COL. SILVA SAID THAT WHILE EMBRAER WOULD ABIDE BY THE USG RESTRICTIONS ON THIS EQUIPMENT, THIS DID NOT MEAN THAT EMBRAER APPROVED OF THE USG'S TREATMENT OF HIS FIRM IN THIS CASE. HE SAID THAT IN APRIL 1976 THE DEPARTMENT OF STATE HAD BEEN CONSULTED WITH RESPECT TO THE INSTALLATION OF THE MILITARY SPECIFICATION RADAR

AND INERTIAL NAVIGATION SYSTEMS ON THE AIRCRAFT DESIRED BY CHILE AND HAD REPLIED THAT THERE WAS NO OBJECTION. ON THIS BASIS, HE SAID, EMBRAER SIGNED A SALES CONTRACT WITH THE CHILEAN NAVY. ONLY AFTER THIS CONTRACT WAS SIGNED WAS NEW US LEGISLATION PASSED PROHIBITING THE SUPPLY OF MILITARY ITEMS TO CHILE. SILVA FELT THAT EMBRAER'S PRIOR CONTRACT SHOULD HAVE BEEN EXEMPTED FROM THE EFFECT OF NEW LEGISLATION. THIS EX POST FACTO APPLICATION OF RESTRICTIONS TO EMBRAER WAS DISTURBING TO THE GOB, BUT PRESIDENT GEISEL MADE THE DECISION TO ABIDE BY THE USG PROHIBITION IN THIS MATTER.

3. COL. SILVA SAID EMBRAER WAS EVEN MORE DISTURBED BY THE FAILURE OF THE FAA TO ISSUE A CERTIFICATE OF AIRWORTHINESS FOR THE "BAND-EIRANTE", WITHOUT WHICH THE AIRCRAFT COULD NOT BE SOLD IN THE US. HE FELT THAT UNDER THE TERMS OF THE JUNE 1976 BILATERAL AGREEMENT ON THIS SUBJECT THE USG HAD NO BASIS FOR DENYING CERTIFICATION TO THE "BANDEIRANTE." HE WAS CONVINCED THAT THE FAA'S REFUSAL WAS RETALIATION AGAINST BRAZIL FOR ITS CESSATION OF SMALL AIRCRAFT IMPORTS FOLLOWING THE START OF PRODUCTION OF PIPER MODELS BY EMBRAER. THE COMMERCIAL COUNSELOR ASSURED HIM THAT THERE WAS NO CONNECTION BETWEEN THE TWO MATTERS. SILVA, HOWEVER, REFUSED TO ACCEPT THIS DENIAL. HE SAID HE COULD UNDERSTAND HOW THE AFFECTED PRIVATE COMPANIES, SUCH AS CESSNA, WOULD WISH TO SEE SOME ACTION AGAINST BRAZIL, BUT HE DID NOT SEE HOW THE USG COULD SHARE SUCH A VIEW, SINCE THE PEPER-EMBRAER ARRANGEMENT HAS BEEN BENEFICIAL TO US TRADE WITH BRAZIL. HE SAID THAT IN 1973, THE PEAK YEAR FOR LIMITED OFFICIAL USE

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BRAZILIAN IMPORTS OF GENERAL AVIATION AIRCRAFT, US EXPORTS OF SUCH AIRCRAFT TO BRAZIL WERE ONLY SLIGHTLY OVER \$20 MILLION. NOW, US EXPORTS OF PARTS AND COMPONENTS TO BRAZIL EXCEED \$40 MILLION.
CHAPIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, MILITARY AIRCRAFT, AIRCRAFT, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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From: SAO PAULO
Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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